

Definition of Needs, Resources and Revenues Committee

DRAFT Potential Recommendations

~~December 13, 2000~~

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Comprehensive Financial Management

ADOT should be required to establish a comprehensive financial management system encompassing all aspects of the state transportation system. The comprehensive system should include separate certifications of future, twenty-year estimated revenues and future, twenty-year estimated system costs as reflected in the statewide twenty-year transportation plan. All transportation revenues (federal, state and local/regional) received by all state agencies should be included in the ~~annual~~-certification. All state transportation costs should be included in the ~~annual-certification~~ of anticipated costs including optimal long-term system preservation costs, system maintenance and administration costs as well as system expansion costs. Adequate funding and personnel should be included in the Department's budget to cover the costs of these responsibilities. All state and local agencies should be statutorily mandated to assist the Department in preparing the ~~annual~~-certifications and tribal governments should be encouraged to participate. The certification should be completed every two years. The current "life-cycle" management process used by the Department in connection with the Maricopa Regional Freeway System can serve as an initial model for the statewide system.

Comprehensive Standardized Data Collection and Reporting

The Department should develop and the State Transportation Board should adopt transportation data collection and reporting standards and methodologies. The standards should cover system characteristic data, traffic and system utilization data, system performance data, estimated project costs, revenue data and future projections. All transportation agencies within the State should be required, by law, to use the adopted standards and methodologies and to annually report required data to the Department. Tribal transportation agencies should be encouraged to participate in the data reporting process. The Department should collect and annually report the standardized transportation data covering all aspects of the statewide transportation system. As much data as possible should be incorporated into a geographical database. Any local transportation agency failing to use the adopted standards and methodologies and reporting requirements should be ineligible to receive any ~~HURF~~-transportation revenue distributions.

Re-dedication of the flight property taxes to the State Aviation Fund

All revenues collected from the ~~existing~~-state flight property tax should be deposited in the State Aviation Fund. Amounts previously diverted from the Fund should be restored.

Monies in the Fund should be dedicated to capital improvements to Arizona's airports. Expenditures from the Fund should be ~~focussed on key, regional~~ airports serving regional needs, excluding outside the major urban centers of Phoenix Sky Harbor and Tucson International, which substantially contribute to the regional with an emphasis on economic development and vitality. ~~To the extent funds are available, amounts previously diverted from the Fund should be restored.~~

Prioritization of System Preservation

~~Searee~~ ~~The first priority for~~ transportation revenues should be ~~prioritized toward~~ maintenance and preservation of existing, used and useful system assets. ~~Up to the level of available funds,~~ ~~m~~Monies should be prioritized for preservation up to the long-term optimal level. All transportation agencies should be mandated, by law, to establish system preservation analysis models similar to the pavement preservation model used by ADOT for the state highway system. Each such agency should periodically develop and report to ADOT the cost to optimally maintain and preserve their existing transportation systems. ~~To the extent, preservation expenditures do not meet the optimal, long term level, each transportation agency shall document and justify the under expenditure.~~

Prioritization of congestion relief and commuter services

The next highest priority for transportation revenues should be congestion relief and improving commuter services. A specific portion of ~~any incremental~~ state collected transportation revenues (in addition to local monies) should dedicated to addressing existing and future commuter needs and congestion relief. Specific strategies that increase the effective capacity of existing system facilities should be funded and implemented as quickly as possible. Among the specific capacity expansion strategies identified are expanded intraregional, intercity express bus service, adaptive traffic light synchronization, reversible lanes and the identification and configuration of "routes of regional significance" to facilitate greater carrying capacity.

Dedicated funding for transportation corridor preservation

~~Sufficient, specific revenues of a~~At least \$10 million, should be dedicated for the acquisition of future transportation corridors. The authority of ADOT to acquire future right-of-way should be expanded and extended beyond 10 years to any corridor identified in the twenty year planning process. The process for disposition of unneeded land should be improved.

Audits of HURF monies use

The State Board shall direct the conduct a biennial financial compliance audits of the state, city and county uses of HURF distributions, LTAF monies and other dedicated transportation revenues.

Increase in Minimum Federal Highway Trust Fund Distributions

Arizona, along with several other states, receives a minimum of 90.5% of amount collected and deposited in the Federal Highway Trust Fund (less federal administrative deductions). Congress should act to increase the minimum distribution amount to at least 95%.

Expansion of State Toll Road Authority

The State should authorize the development and operation of public toll roads. Public toll roads should be considered wherever fiscal analysis indicates the opportunity exists to develop facilities that would not otherwise be developed. The public toll authority should facilitate use of private operators and other privatization activities including design build construction. The authority for public toll roads should include variable priced tolls for SOV use of existing and future HOV lanes.

Increase in Highway User Fund Bonding Capacity

The statutory limit on Highway User Revenue Bonds should be increased to permit the Board to optimize the financing of needed state highway facilities.

Automatic enactment of State Gas Tax Increase to Offset Federal Fuel Tax Reductions

State law should provide that to the extent the federal fuel tax is reduced, the state fuel tax should be automatically increased.

Restoration of Local Taxing Authority

The ability of local governments to enact incremental transportation taxes should be clearly established in state statute.

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